

Washington State Department of

Veterans Affairs Supplemental 2012 Operating Budget



"Serving Those Who Served"

Recommendation Summary

Agency: 305 Department of Veterans Affairs

2:56:12PM

9/20/2011

Dollars in Thousands

Annual Average
FTEsGeneral
Fund State

Other Funds

Total Funds

Program: 020 Veterans Services

2011-13 Current Biennium Total

Total Carry Forward Level

Percent Change from Current Biennium

Carry Forward plus Workload Changes

Percent Change from Current Biennium

M2 HG	New Grant for Homeless Veterans	600	600
M2 HV	Homeless Veterans Donation	17	17
M2 KC	Local Fund Additions	576	576
M2 VC	Veterans Cemetery Resource Changes	98	98

Total Maintenance Level

Percent Change from Current Biennium

1,291 1,291

Subtotal - Performance Level Changes

0.0

2011-13 Total Proposed Budget

Percent Change from Current Biennium

1,291 1,291

Recommendation Summary

Agency: 305 Department of Veterans Affairs

2:56:12PM

9/20/2011

Dollars in Thousands

Annual Average
FTEsGeneral
Fund State

Other Funds

Total Funds

Program: 035 Veterans Homes

2011-13 Current Biennium Total

Total Carry Forward Level

Percent Change from Current Biennium

Carry Forward plus Workload Changes

Percent Change from Current Biennium

M2 RU Supp 12 Rev. Fest. & 10% Reduction

(1,626)

1,866

240

Total Maintenance Level

Percent Change from Current Biennium

(1,626)

1,866

240

Subtotal - Performance Level Changes

0.0

2011-13 Total Proposed Budget

Percent Change from Current Biennium

(1,626)

1,866

240

State of Washington
Decision Package

FINAL

Agency: 305 Department of Veterans Affairs
Decision Package Code/Title: RU Supp 12 Rev. Fcst. & 10% Reduction
Budget Period: 2011-13
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

From an updated revenue estimate, \$1,626,000 in appropriated GF-State is saved and returned with a request to adjust agency GF-Federal and GF-Local authorities to earn and use the new forecast totals.

Fiscal Detail

Operating Expenditures		<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1	General Fund - Basic Account-State	(723,000)	(903,000)	(1,626,000)
001-2	General Fund - Basic Account-Federal	1,414,400	1,808,200	3,222,600
001-7	General Fund - Basic Account-Private/Local	(745,400)	(611,200)	(1,356,600)
Total Cost		(54,000)	294,000	240,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001 General Fund	0355 Fed Rev Non-Assist	714,600	745,600	1,460,200
001 General Fund	0364 Veterans Administrat	745,000	781,400	1,526,400
001 General Fund	0523 Board, Room and Meal	(745,400)	(611,200)	(1,356,600)
Total Revenue		714,200	915,800	1,630,000

Package Description:

Based on an updated revenue forecast, this decision package asks for an adjustment in the veteran home (Program 035) federal and local expenditure authorities including a corresponding decrease in General Fund-State funding.

As the forecast revenues exceed the program's current spending authorities, we are asking for expanded Federal and Local authority to allow the collection of this forecasted revenue and permission to use it to meet the costs associated with generating the revenue.

In summary, based on actual resident census and booked revenues and / or operating cost recoveries using the measurement period of February 2011 through July 2011, the homes are projected to earn \$3.2 million more in federal revenue and \$1.36 million less in local revenues over the balance of the biennium. Subtracting the \$1.626 million GF-State priority reduction value, per the 2012 Supplemental Budget Instructions of August 8, 2011, we are asking for authority to earn \$1.63 million in revenues, for a net spending increase of \$240,000.

Note that there is a difference between the revenue total and the sum of the federal and local spending authority requested. This

difference is explained below in the "Expenditure and Revenue Calculations and Assumptions" section.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

We currently track seven performance measures for agency Activity A002 - Institutions.

They are:

- #000463 Keep resident weight loss to less than 6% of the population,
- #000500 Keep pressure ulcers acquired in-house to less than 5% of the population,
- #000727 Sustain facility censuses at 95% or better,
- #000728 Track revenue targets to assure appropriate recoveries,
- #000754 Track conversion of beds to Medicare status,
- #000857 Measure resident satisfaction per a semiannual survey, and
- #000860 Measure nursing hours to assure US Veteran Affairs requirements are maintained.

This package does not add any new measures.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, it is on page 10 of the strategic plan which discusses the homes financial health.

1. What agency activity is supported by this package?

The agency activity supported by this request is Activity A002 - Institutions.

2. What is the amount of the support?

FY 2010	FY 2011	Bien
-\$54,000	\$294,000	\$240,000

3. Provide the name and phone number of an agency representative familiar with this package/request.

Gary Condra, DVA Chief Financial Officer at 360-725-2202, or Ken Malmin, agency Budget Program Specialist at 360-725-2165.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, it supports the POG to strengthen government's ability to achieve results efficiently and effectively by setting resource targets to assure adequate fiscal planning, which in turn supports the POG improve the security of Washington's vulnerable children and adults, a population to which the residents of the three veterans homes belong.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes and yes, as cited above.

What are the other important connections or impacts related to this proposal?

N/A

What alternatives were explored by the agency, and why was this alternative chosen?

N/A

What are the consequences of not funding this package?

N/A

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditure Assumptions:

Not Applicable

Revenue Assumptions:

For Program 35 (the homes) we produce three revenue forecasts per fiscal year. For each home we summarized and project 15 cost recovery and/or revenue producing streams. The updated forecast is attached as an Excel© spread sheet. This forecast used operating revenues and census figures recorded from February 1, 2011 through July 31, 2011.

The first tab of the Excel© spread sheet is reproduced here:

Washington State Veteran Homes // Gary's #1 Pgm. 035 Vet. Home Rev. Proj. for Supp 12

FY 11-12 FY 12-13 Bien Veteran's Homes 11-13 Appropriations (Ver. '4L')

\$28,006,000 \$28,135,000 \$56,141,000 Federal

\$16,782,000 \$16,848,000 \$33,630,000 Local

\$44,788,000 \$44,983,000 \$89,771,000 Total

FY 11-12 FY 12-13 Bien // 2011 - 13 Revenue Update (Per the '11-13' tabs)

\$29,418,339 \$29,940,821 \$59,359,160 Federal

\$16,037,697 \$16,236,737 \$32,274,434 Local

\$45,456,036 \$46,177,558 \$91,633,594 Total

FY 11-12 FY 12-13 Bien // Change from Version '4L' 11-13 Appropriation

\$1,412,339 \$1,805,821 \$3,218,160 Federal

-\$ 744,303 -\$ 611,263 -\$1,355,566 Local

\$ 668,036 \$1,194,558 \$1,862,594 Total

-\$ 723,000 -\$ 903,000 -\$1,626,000 Deduct the required GF-State Reduction

-\$ 54,964 \$ 291,558 \$ 236,594 Net Spending Authority Change

Note that rounding caused -\$54,964 to change to -\$54,000 and \$291,558 to change to \$294,000.

In addition, note that there is a difference between the revenue adjustment made for this package and the sum of the federal and local spending authority requested.

From Page 1 of this package:

FY 11-12 FY 12-13 Bien

\$714,200 \$915,800 \$1,630,000 Revenue Adjustment from page 1

-\$723,000 -\$903,000 -\$1,626,000 Remove GF-State Savings

-\$ 8,800 \$ 12,800 \$ 4,000 Net Revenue Adjustment

-\$ 45,200 \$281,200 \$ 236,000 Add TXIX FMAP Forecast Change (Not a Revenue)**

-\$ 54,000 \$294,000 \$ 240,000 Sum is Spending authority adjustment from page 1

Regarding TXIX and our revenue forecast, at DVA, many residents are eligible for Social Security TXIX Medicaid assistance. Because the homes (agency program 035) receive a GF-State appropriation, any Medicaid dollars received for residents at the Washington Veterans Home in Retsil and the Washington Soldiers Home in Orting are returned to DSHS. DVA retains only the Federal portion. That is, we bill through the Medicaid system and Provider One sends us a check. We return the check to DSHS and coordinate with DSHS to use/spend the Federal portion of the check. We do not record any Revenue, thus, there is always a gap between the revenue amounts and the spending request totals.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a one-time adjustment for the 11-13 biennium only to revise the revenue forecast and expand expenditure authority needs.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
N Grants, Benefits & Client Services	(54,000)	294,000	240,000

FINAL

Agency: 305 Department of Veterans Affairs

Decision Package Code/Title: HG New Grant for Homeless Veterans

Budget Period: 2011-13

Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Request expanded spending authority for a new \$300,000 grant from the US Department of Labor to support DVA's homeless veteran reduction efforts.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-2 General Fund - Basic Account-Federal	300,000	300,000	600,000
Total Cost	300,000	300,000	600,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001 General Fund	0317 Dept of Labor	300,000	300,000	600,000
Total Revenue		300,000	300,000	600,000

Package Description:

This decision package addresses a new federal Department of Labor, Veterans Employment and Training Service grant series. Labeled the "Homeless Veteran Reintegration, Training and Placement Project", short-named "HVRP", this grant (received by DVA July 1, 2011) is the first of potentially three annual \$300,000 grants, which will coincide with each state fiscal year.

This grant takes the place of a similar grant series that ended June 30, 2011. Over the months prior to April 2011 we were under the assumption that 'HVRP' was through. Only in April did we learn of this new series and were successful in securing this funding to continue our existing veteran homeless prevention programs.

Note, DVA currently has an existing \$200,000 HVRP grant from the Department of Labor to address veteran homeless issues in RURAL Washington areas as opposed to the URBAN focus of the \$300,000 grant. The \$200,000 grant is in its third or final cycle.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

State of Washington
Decision Package

FINAL

Agency: **305 Department of Veterans Affairs**
Decision Package Code/Title: **HG New Grant for Homeless Veterans**

There are a number of performance elements to the DOL grants. Two of those elements are reported by the DVA in the "Results Through Performance Management System". Measure #000468, the number of homeless veterans enrolled in employment and training services, and measure #000564, the number of homeless veterans that obtain transitional and/or permanent housing, are the two measures tracked. The 12 month grant requires 184 veterans be enrolled in the program and 140 be housed in a transitional or permanent situation.

Performance Measure Detail

Activity: A004 Veterans Community-Based Services

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	Output Measures		
000468	Number of homeless veterans enrolled in employment and training services.	184.00	184.00
000564	Number of homeless veterans that obtain transitional/permanent housing.	140.00	140.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. DVA's efforts in the area of veteran homeless prevention and veteran reintegration efforts are detailed in page 13 of the agency 2010-14 Strategic plan.

1. What agency activity is supported by this package?

The agency activity supported by this request is Activity A004, Veterans Community Based Services.

2. What is the amount of the support?

FY 2012	FY 2013
\$300,000	\$300,000

3. Provide the name and phone number of an agency representative familiar with this package/request.

Gary Condra, DVA Chief Financial Officer at 360-725-2202, Ken Malmin, agency Budget Program Specialist at 360-725-2165, or program manager Ric Price at 360-725-2236.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, under "Decrease the percentage of individuals and families living in poverty", inside the governor's POG category "Improve the security of Washington's vulnerable children and adults." Also under "Provide the tools and resources to execute government functions" inside the governor's POG category "Strengthen Government's Ability to Achieve Results Efficiently and Effectively".

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, this package makes key contributions to statewide results, and would rate high in the Priorities of Government process.

State of Washington
Decision Package

FINAL

Agency: 305 Department of Veterans Affairs

Decision Package Code/Title: HG New Grant for Homeless Veterans

What are the other important connections or impacts related to this proposal?

An important connection related to this grant is that it provides DVA with the ability to direct federal funding at the state-wide veteran homeless reduction initiative without any General Fund - State requirement.

What alternatives were explored by the agency, and why was this alternative chosen?

No alternatives were explored by the agency related to this package.

What are the consequences of not funding this package?

Since costs and available resources match in this package, "not funding" this package was not considered.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Expenditure assumptions and calculations:

As this \$300,000 grant begins July 1, 2011, at the close of a similar \$300,000 grant, the expenditure elements for the new grant are expected to repeat themselves over the next 12 to 24 months. There is no need for additional FTEs.

As a basis for the new grant, here is a spending summary of the previous grants from July 2009 through June 2011.

Bienn

09-11	Object	Percent
\$250,000	A-Wages	41.7%
\$ 97,500	B-Benefits	16.3%
\$ 22,000	E-Sply/Mtrl	3.7%
\$ 15,000	G-Transp.	2.4%
\$ 1,500	J-Equip.	0.2%
\$214,000	N-Cli.Svcs.	35.7%

\$600,000	Total	100%
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Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are expected to be on-going and need to be included in the Biennial 13-15 carry-forward calculations.

State of Washington
Decision Package

FINAL

Agency: 305 Department of Veterans Affairs

Decision Package Code/Title: HG New Grant for Homeless Veterans

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	125,000	125,000	250,000
B Employee Benefits	48,750	48,750	97,500
E Goods And Services	11,000	11,000	22,000
G Travel	7,500	7,500	15,000
J Capital Outlays	750	750	1,500
N Grants, Benefits & Client Services	107,000	107,000	214,000
Total Objects	300,000	300,000	600,000

State of Washington
Decision Package

FINAL

Agency: 305 Department of Veterans Affairs
Decision Package Code/Title: KC Local Fund Additions
Budget Period: 2011-13
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Request a General Fund - Local appropriation increase of \$576,000 to meet current active contract levels.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-7 General Fund - Basic Account-Private/Local	486,000	90,000	576,000
Total Cost	486,000	90,000	576,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001 General Fund	0541 Contributions Grants	486,000	90,000	576,000
Total Revenue		486,000	90,000	576,000

Package Description:

The DVA Veterans Services Division (Program 20) is contracted with county governments to provide services specific to the veteran residents of those counties. Those services are mainly:

- re-integration assistance for newly discharged, homeless and/or incarcerated veterans,
- outreach to veterans and families, minority and women veterans,
- post-traumatic stress disorder (PTSD) treatment and re-adjustment for veterans, and
- education assistance.

Each year part of the Program 20 GF-Local appropriation covers an estimated contract level, so between the carry-forward computation, budget development, and finalization to the current period, a number of county contracts will start and stop. This package brings the Program 20 GF-Local appropriation figure up to date. Additional detail is provided below under "Expenditure and revenue calculations and assumptions".

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

All of the resources detailed in this package are from new or enhanced contracts with county governments or other entities requesting an expansion of services for their veteran population. In general, all the contracts work to improve the security of Washington's vulnerable children and adults, improve the health of Washington's citizens, and improve the economic vitality of businesses and individuals.

No new measures were added as a result of this package and no existing measures were modified as a result of this package. Note, DVA has a number of performance outcomes tied to the activities of A004 - Veterans Community Based Services associated with the contracts discussed below. The measures are:

#000468 - number of homes veterans enrolled in employment and training services,

#000564 - number of homeless veterans that obtain transitional / permanent housing,

#000676 - Reduce King County veteran recidivism rate, and

#000725 - Number of returnees of Operation Iraqi Freedom and Operation Enduring Freedom served by the war trauma (PTSD) re-adjustment program.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. The various activities of agency Program 20 are detailed on pages 12 -16 of the agency 2010-14 Strategic plan.

1. What agency activity is supported by this package?

The agency activity supported by this request is Activity A004 - Veterans Community-Based services.

2. What is the amount of the support?

FY 2012	FY 2013
\$486,000	\$90,000

3. Provide the name and phone number of an agency representative familiar with this package/request.

Gary Condra, DVA Chief Financial Officer at 360-725-2202, Ken Malmin, agency Budget Program Specialist at 360-725-2165, or Steven Gill, Veterans Services Division Administrator at 360-725-2235.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This decision package links to several Priorities of Government:

- 1) Improve the security of Washington's vulnerable children and adults,
- 2) Improve the health of Washington's citizens, and
- 3) Improve the economic vitality of businesses and individuals.

It also supports "Keeping our commitment to veterans" which is one of Governor Gregoire's top priorities.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

For DVA this package is in support of improving the quality of care and services for vulnerable veterans and their families by providing preventive services to lower veteran homelessness, prevent unemployment, and improve wellness, quality of life, and independence.

These agency efforts in the veteran community support any number of priority of government indicators including decrease the

percentage of individuals and families living in poverty, increase the number of high school diplomas and GEDs granted, and increase the percentage of children and adults living in permanent family homes or community settings.

What are the other important connections or impacts related to this proposal?

This package is also in support of increasing the percent of people employed (increasing the employment rate), increasing the percentage of prosperous individuals, and increasing individual earning levels.

What alternatives were explored by the agency, and why was this alternative chosen?

This request does not introduce any new programs, thus no alternatives were explored by the agency. Performing contract services for county governments has been part of the agency budget for over 10 years.

What are the consequences of not funding this package?

Not applicable. DVA is working these contracts already. This package asks for an increase in GF-Private / Local spending authority to match the levels of existing county contracts with DVA.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Assumptions:

1) None of the county contracts match the state's fiscal year. Most are calendar year, but some start in April or end in September, often depending on when they were signed. The source of the funding is usually the "Veterans' assistance fund" which is an account in the custody of each county auditor, or the chief financial officer in a county operating under a charter, that is funded by taxes levied under the authority of RCW 73.08.080, but in the case of King County there is also special levy, The Veterans and Human Services Levy, which was recently passed for the second time, that provides additional funding.

2) A primary assumption in this package is the contracts details are being worked now, but lack full allotment, are continued through the end of the biennium. That is, the counties that have contracted for our services in the current period will renew their contract for at least one or two more years.

3) No additional FTEs are requested.

List of the affected contracts:

1) King County contract D40840D - \$400,000 for training Trauma Sensitivity Services and post-Traumatic Stress Disorder Treatment.

Statement of work: The agency (DVA) shall provide training and develop training material in trauma sensitive services and post-traumatic stress disorder treatment to staff in the jail, courts, emergency services, direct responders, schools, social service agencies, housing programs and primary health providers in the mental health and substance abuse system in King County. The total amount of reimbursement shall not exceed \$800,000.

This contract began in January 2011 and \$400,000 has already been used. The FY 10-11 GF-Local funding level was adequate, whereas the FY 11-12 funding level is not, so this package requests \$400,000 for this fiscal year only.

2) King County contract D40845D Housing Homelessness Services - \$231,522 estimated verses \$240,666 contract awarded, difference \$9,144.

Statement of Work: Employment Linked to Housing and Supportive Services (ELHSS), the agency shall provide employment services linked to housing and support services for the Housing and Community Development program (HCD). The outcome is to provide job readiness, education, and employment services to help vulnerable youth and adults. Eligibility is limited to military veterans of any branch of the U.S. Armed Forces active duty military personnel and family members of veterans over 18 years of age residing in King County.

3) King County Exhibit 5 of Contract D39724D - Veterans Incarcerated Program - \$340,258 estimated verses \$447,648 awarded, difference \$107,390.

Statement of Work: The Agency shall provide a Veterans Incarcerated program and staff to identify, conduct intake and assessments, advocate for, and case manage eligible veterans who are incarcerated or at-risk of incarceration within the King County Corrections system and municipal jails. The outcome is to provide effective prevention and intervention strategies for eligible veterans identified as at-risk or most in-need to prevent or reduce more acute illness, high-risk behaviors, incarceration and other emergency medical or crisis response by reducing the number of veterans that are re-incarcerated.

4) Catholic Community Services of Western Washington (CCSWW), Homeless Veterans Prevention Demonstration Project (HVPD) in Pierce County - \$0.00 estimated verses \$60,000 awarded, difference \$60,000.

In this case DVA is a sub-recipient from CCSWW of federal funds from the vendor U.S. Department of Housing and Urban Development in their effort to prevent veterans from becoming homeless. DVA will provide 0.5 FTE outreach position, already on-board, to the CCSWW team implementing the HVPD project. The DVA staffer provides outreach and referrals, assists in determining veteran status, and assists in securing community resources for case management, training and other support for veterans.

Summary:

FY 11-12	FY 12-13	
\$400,000	\$000,000	King County contract D40840D - PTSD Training
\$ 4,572	\$ 4,572	King County contract D40845D Housing Homelessness Services
\$ 51,735	\$ 55,615	KC Exhibit 5 of Contract D39724D - Veterans Incarcerated Program
\$ 30,000	\$ 30,000	Pierce County CCCWW // Homeless Veteran Prevention Demo
\$486,307	\$90,187 = \$576,494	

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are expected to be on-going and need to be included in the Biennial 13-15 carry-forward calculations.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
N Grants, Benefits & Client Services	486,000	90,000	576,000

State of Washington
Decision Package

FINAL

Agency: 305 Department of Veterans Affairs
Decision Package Code/Title: VC Veterans Cemetery Resource Changes
Budget Period: 2011-13
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Request amendment of 11-13 resource and operating estimates for the Washington Veterans Cemetery at Medical Lake.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-2 General Fund - Basic Account-Federal		64,700	64,700
08V-7 Veterans Stewardship Account-Private/Local	46,600	(13,300)	33,300
Total Cost	46,600	51,400	98,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001 General Fund	0364 Veterans Administrat		64,700	64,700
Total Revenue			64,700	64,700

Package Description:

The Washington Veterans Cemetery at Medical Lake is a publically owned, self-funded sub-activity inside the DVA Veterans Services Program. This decision package addresses new funding and expenditure changes that are now occurring.

Three underfunded costs have emerged requiring an increase in spending authority. First, a water resources contract with the City of Medical Lake was finalized and will cost more than originally planned. Also, an inter-agency contract with the Washington Military Department for Honors Services was omitted from the original budget plan, as were new motor pool charges originating from our new agency-wide fleet transfer agreement with the Department of General Administration.

No GF-State is required to meet these new costs. The \$98,000 increase can be met internally through a funding adjustment of the Veterans Stewardship Fund (Fund 08V) and a change in the Veteran Burial (Plot) Allowance benefit recorded as General Fund - Federal income by the cemetery operation. A further discussion of these items is found below in the "Expenditure and revenue calculations and assumptions" section.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

No performance measures have been established for cemetery operation and no specific outcome is proposed for this decision package.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. The cemetery operation is noted on pages five and six of the agency 2010-14 Strategic plan.

1. What agency activity is supported by this package?

The agency activity supported by this request is Activity A004 - Veterans Community Based Services.

2. What is the amount of the support?

FY 2012	FY 2013
\$46,600	\$51,400

3. Provide the name and phone number of an agency representative familiar with this package/request.

Gary Condra, DVA Chief Financial Officer at 360-725-2202, or Ken Malmin, agency Budget Program Specialist at 360-725-2165.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, under "Provide the tools and resources to execute government functions" inside the governor's POG category "Strengthen Government's Ability to Achieve Results efficiently and effectively".

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, since it supports the governor's priorities, it contributes to statewide results, but it is not a "high priority" in the POG process.

What are the other important connections or impacts related to this proposal?

The important connection or impact of this proposal is that it has no impact on General Fund - State. New/higher operating costs have been identified regarding the Veterans Cemetery operations and sufficient resources have been identified to cover those costs.

What alternatives were explored by the agency, and why was this alternative chosen?

None. This package is the result of a normal cycle of cost and revenue examination / updates made each year.

What are the consequences of not funding this package?

Since costs and available resources match in this package, "not funding" this package was not considered.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

As guided by OFM instructions and the governor, budget conclusions and estimates from DVA program managers were 'lean'. In some instances too lean. This is the case with the cemetery operation where the expenditure assessment was too limited and the revenue forecast was incomplete.

Revenue Assumptions and Calculations:

The Veterans Cemetery's primary resource is Fund 08V, the Veterans Stewardship Account, which, as written (when established) in the Fund Reference Manual, can be used in "maintaining a future state veterans' cemetery". The cemetery's secondary resource is the federal Veterans Affairs Plot-Interment Allowance which, as cited on page 16 of the Cemetery Business Plan, "will pay up to \$300 toward burial and funeral expenses for deaths on or after December 1, 2001." Prior to that date the allowance was \$150 and it was proposed to be increased in FFY 2013 to \$400, but recently this notice was published:

Federal VA Raises Burial Allowance October 1, 2011: The burial allowance (38 USC, Sec. 2303(a)) was amended to allow an increase from \$300.00 to \$700.00 for Veterans who die while being hospitalized by the VA. The increase applies to deaths that occur on or after October 1, 2011.

The GF-Federal appropriation level for the cemetery was adequate for FY 2011-12, but was not sufficient for FY 2012-13 levels. Thus the first year does not need adjustment, but the second year does. Fund 08V is then adjusted to balance the resources to the new costs identified.

Summary:

FY 11-12	FY 12-13
\$00,000	\$64,700 Change in Federal VA Burial Plot Allowance Entitlement
\$46,600	-\$13,300 Adjustment of Fund 08V (Veterans Stewardship Fund) to balance
\$46,600	\$51,400 = \$98,000

Expenditure Assumptions and Calculations:

Beginning in July 2011 DVA completed a process in which our fleet of 50+ vehicles were either transferred to Department of General Administration or surplus. A 2011-13 package requesting transitional funding for this conversion was denied. As a result most of our agency transportation needs are under-funded for this biennium. For the cemetery the funding gap is \$13,000 per year.

As an entitlement, a veteran may request that military honors be provided at their funeral. Often this service is provided by a Veterans Service Organization like the VFW. The Washington Military Department also provides military honors and over the past year DVA entered into an inter-agency agreement to pay \$300 per month to them for this service. This \$3,600 contract was omitted from the cemetery's budget calculations.

To operate a cemetery, especially in eastern Washington, there is a great need for water. Prior to the opening ceremonies in May 2010, negotiations for water service from the City of Medical Lake had been on-going for at least a year. Both sides had valid arguments. DVA advocated a token charge, first as an acknowledgement of the veteran sacrifice and the fact that much of the water used would return to the water table from which it came. The city saw the cemetery as an economic entity that needed to purchase a resource that it controlled. In the end the city prevailed, but the need for water virtually disappears over the winter months, so when preparing a cost estimate water charges were significantly under budgeted.

Summary:

FY 11-12	FY 12-13	
\$13,000	\$13,000	Motor Pool service costs
\$ 3,600	\$ 3,600	Contract with Military Department for Veterans Honors
\$30,000	\$34,800	Conclusion of water resources contract
\$46,600	\$51,400 = \$98,000	

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are expected to be on-going and need to be included in the Biennial 13-15 carry-forward calculations.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services	30,000	34,800	64,800
G Travel	13,000	13,000	26,000
N Grants, Benefits & Client Services	3,600	3,600	7,200
Total Objects	46,600	51,400	98,000

State of Washington
Decision Package

FINAL

Agency: 305 Department of Veterans Affairs
Decision Package Code/Title: HV Homeless Veterans Donation
Budget Period: 2011-13
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Request an increase in Fund 08V Veteran Stewardship Account to allow expenditure to a \$17,000 homeless veteran program donation.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
08V-7 Veterans Stewardship Account-Private/Local	17,000	0	17,000
Total Cost	17,000		17,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
08V Veterans Stewardship	0541 Contributions Grants	17,000	0	17,000
Total Revenue		17,000		17,000

Package Description:

This decision package addresses the receipt of a \$17,000 donation to the Veterans Stewardship Account from the Military Order of the Purple Heart (MOHP) in support of DVA's Homeless Veterans Program and the need to increase the spending authority of the Stewardship Account this fiscal year.

Fund 08V is a non-appropriated / allotted fund that this biennium is set at \$503,000. The account is funded through the purchase of veteran license plates, but can also accept donations. Originally spending authority for this account was split between agency Programs 10 and 20, with \$35,000 provided to Program 10 annually. Last biennium this split was ended and the entire allotment rests with Program 20, but is still divided as \$35,000 for veterans assistance and the balance for cemetery operations.

Per the Fund Reference Manual, Stewardship funds may be used for activities that benefit veterans, including but not limited to, providing programs and services for homeless veterans; establishing memorials honoring veterans; and maintaining a future state veterans' cemetery. As this donation was designated to address agency homeless efforts, it belongs with the \$35,000 allotment and not with the veterans cemetery allotment.

Thus, this decision package requests an increase in spending authority for Fund 08V so the donation by the MOPH can be used as designated.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

No performance measures have been established for use of the Veterans Stewardship Account and none are proposed in this decision package.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. DVA's efforts in the area of veteran homeless prevention efforts are detailed on page 13 of the agency 2010-14 Strategic plan.

1. What agency activity is supported by this package?

The agency activity supported by this request is Activity A004, Veterans Community-Based Services.

2. What is the amount of the support?

FY 2012	FY 2013
\$17,000	\$00,000

3. Provide the name and phone number of an agency representative familiar with this package/request.

Gary Condra, DVA Chief Financial Officer at 360-725-2202, Ken Malmin, agency Budget Program Specialist at 360-725-2165, or program manager Ric Price at 360-725-2236.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, under "Decrease the percentage of individuals and families living in poverty", inside the governor's POG category "Improve the security of Washington's vulnerable children and adults." Also under "Provide the tools and resources to execute government functions" inside the governor's POG category "Strengthen Government's Ability to Achieve Results efficiently and effectively".

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, this package makes key contributions to statewide results, and would rate high in the Priorities of Government process.

What are the other important connections or impacts related to this proposal?

An important connection related to this donation is that it provides DVA with the ability to direct funding at the state-wide homeless reduction initiative without impacting General Fund - State.

What alternatives were explored by the agency, and why was this alternative chosen?

No alternatives were explored by the agency related to this package.

What are the consequences of not funding this package?

Since costs and available resources match in this package, "not funding" this package was not considered.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

As cited above, we are requesting that the fiscal year 2012 spending level of Fund 08V be increased by \$17,000 so a specific donation directed to aid our Homeless Veterans Program can be put to use.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a one-time request for approval to spend a singular donation on an agency initiative and does not need to be part of the Biennia 13-15 carry-forward calculation.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
N Grants, Benefits & Client Services	17,000		17,000